

ATTACHMENT 1

LOS ANGELES CELLULAR PER UNIT INVESTMENT, OPERATING COSTS AND REVENUES

	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>
Cumulative Plant Investment ¹	\$142,912,233	\$239,052,880	\$293,554,571	\$337,020,919	\$377,013,885
Operating Expenses	74,251,449	112,278,910	150,798,916	200,704,217	253,282,327
Gross Revenues	177,504,903	267,131,074	326,046,796	390,379,233	432,548,632
Annual Depreciation	9,348,863	17,105,464	26,450,864	30,151,505	34,028,944
Average Number of Subscribers	108,545	175,311	245,649	318,813	421,798
Cumulative Plant Investment/Subscriber	1316.62	1363.59	1195.02	1057.11	893.83
Gross Revenue/Subscriber/Month	136.28	126.98	110.61	102.04	85.46
Operating Expenses/Subscriber/Month	57.01	53.37	51.16	52.46	50.04
Operating Profit/Subscriber/Month	79.27	73.61	59.45	49.58	35.42
Annual Depreciation/Subscriber/Month	7.18	8.13	8.97	7.88	6.72
Pre-Tax Income/Subscriber/Month	72.09	65.48	50.48	41.70	28.70

¹Excludes investment in spectrum.

ATTACHMENT 2

**RATE REDUCTIONS/PROMOTIONS FILED
LOS ANGELES MARKET
SEPTEMBER 15, 1994- OCTOBER 17, 1994**

CARRIER	ADVICE LETTER NO.	DATE FILED	SUBJECT
Los Angeles Cellular Telephone Company ("LACTC")	506	09/15/94	Waive service establishment fees for new subscribers on non-Dual Mode Corporate Contract and Value Service Plans.
Los Angeles SMSA Limited Partnership ("LASLP")	428	09/16/94	Introduce Super-Value Starter Plan. Plan includes a single monthly charge for access and up to 20 minutes of airtime. Reflects a 34% reduction of the monthly charge over previously available plan (assuming 80% pk./20% off pk. usage).
LASLP	429	09/16/94	Offer \$5.00/month credit for twelve (12) months for subscribers to Super-Value starter Plan.
LACTC	509	09/21/94	Introduce a provisional Economy Value Service Plan. Plan includes a single monthly charge for access and up to 20 minutes of airtime. Reflects approximately a 44% reduction of the monthly charge over previously available plan (assuming 80% pk./20% off pk. usage).
LASLP	431	09/27/94	Introduce Super Value 1000 Plan. Plan includes a single monthly charge for access and up to 1000 minutes of airtime.
LASLP	432	09/30/94	Waive service establishment fees for current subscribers activating an additional number on selected contract plans.
LASLP	433	09/30/94	Waive reactivation fee for customers who resubscribe a mobile number within 90 days of having deactivated service.
LASLP	435	10/06/94	Waive service establishment fees for subscribers activating service on any of Utility's service plans.
LACTC	512	10/07/94	Waive service establishment fees for subscribers activating service on any of Utility's service plans.
LACTC	514	10/11/94	Reduce access charges and waive service establishment fees for subscriber units where two (2) or more units on a single account are enrolled on selected contract plans. Waive service establishment fees for units enrolled on Corporate and Government Contract Plans.

ATTACHMENT 2

**RATE REDUCTIONS/PROMOTIONS FILED
LOS ANGELES MARKET
SEPTEMBER 15, 1994- OCTOBER 17, 1994**

CARRIER	ADVICE LETTER NO.	DATE FILED	SUBJECT
LACTC	515	10/12/94	Introduce Executive Value Service Plan with temporary reduced pricing. Plan includes a single monthly charge for access and up to 900 minutes of airtime.
LASLP	443	10/14/94	Provide \$10.00/month credit for twenty-four (24) months for customers activating or transferring to two-year contract plans.
LACTC	516	10/14/94	Extend enrollment period for provisional Economy Value Service Plan.
LASLP	444	10/17/94	Extend \$5.00/month credit for twelve (12) months for subscribers to Super-Value Starter Plan.

ATTACHMENT 2

**RATE REDUCTIONS/PROMOTIONS FILED
SAN FRANCISCO/SAN JOSE MARKET
SEPTEMBER 15, 1994 - OCTOBER 17, 1994**

CARRIER	ADVICE LETTER NO.	DATE FILED	SUBJECT
Bay Area Cellular Telephone Company ("BACTC")	292	09/15/94	Introduce Digital Flex Plan. Airtime is discounted as usage increases (from .42 peak/.20 off-peak for 0 to 110 minutes of use per month to .30 peak/.16 off-peak for 1001+ minutes of use per month).
BACTC	293	09/15/94	Reduce Dual-Mode Corporate Management Plan access and off-peak usage rates by 11.7% and 15% respectively.
BACTC	294	09/15/94	Provide \$300 in credit (at \$50/month) for new customers activating on dual-mode plans or customers transferring from existing analog to dual-mode plans.
BACTC	295	09/15/94	Provide free incoming calls for new customers.
BACTC	296	09/15/94	Provide credit of \$10.00/month for customers activating a second cellular telephone.
BACTC	297	09/15/94	Provide up to \$100 credit for existing customers who refer potential new customers to the Company.
GTE Mobilenet of California	292	10/03/94	Lower roamer charges for customers on GTE Mobilenet of Santa Barbara system.

ATTACHMENT 2

**RATE REDUCING/CREDIT ADVICE LETTERS FILED
SACRAMENTO MARKET
SEPTEMBER 15, 1994 - OCTOBER 17, 1994**

CARRIER	ADVICE LETTER NO.	DATE FILED	SUBJECT
Sacramento Cellular Telephone Company ("McCaw")	175	09/16/94	Reduce termination fee for Premier Package Plan and introduce Premier Plus Plan. Plan includes a single monthly charge for access and up to 950 minutes of airtime.
Sacramento- Valley Limited Partnership ("Airtouch")	184	09/23/94	Waives contract plan early termination fee for customers terminating within 30 days of activation
Airtouch	185	09/28/94	Provide free weekend calling for new and existing customers on contract plans.
Airtouch	186	09/29/94	Introduce Cal 30 Plan. Plan includes a single monthly charge for access and up to 30 minutes of airtime. Advice Letter also provides for temporary reduction in access and usage charges for Cal 30 plan, and reductions in monthly charges on other selected contract plans.
McCaw	176	09/29/94	Introduce provisional Right Fit Personal Package Plan. Plan includes a single monthly charge for access, up to 50 minutes of airtime, and an additional 100 minutes of weekend calling. Service establishment fee is waived.
McCaw	177	09/29/94	Waive service establishment fee for new subscribers activating on optional rate plans.
Airtouch	187	10/04/94	Extend free weekend calling for new and existing customers on contract plans.
McCaw	178	10/13/94	Introduce provisional Right Fit Personal Package Plan II

ATTACHMENT 2

ATTACHMENT 3

The Impact of a 6.7 Quake on L. A. Cellular's System and L. A. Cellular's Response to a Regional Disaster

A White Paper
By
Los Angeles Cellular Telephone Company
February 17, 1994

Devastating Earthquake Rocks Southland

On Monday, January 17, at 4:31 a.m., a 6.7 magnitude earthquake rocked the Greater Los Angeles Area, knocking out utilities such as water, power and landline telephone service for hundreds of thousands of Angelenos. With the epicenter located beneath the highly-populated San Fernando Valley, many citizens were forced to live without most utilities for days, and some for weeks.

Cellular System Survives Quake

Although L. A. Cellular's cellular telephone system did sustain some damage, it did survive the violent shaking and the company was able to continue to provide cellular service in the aftermath of the tremor, even in the most heavily-damaged portions of the city. For some quake victims and emergency response workers, cellular provided the only available means of commercial telecommunications.

Immediately following the earthquake, L. A. Cellular personnel -- including engineers, technicians and customer care professionals -- went to work on four primary levels, including:

1. Damage assessment and equipment repair;
2. System modification to handle increased capacity in hard-hit areas and altered call traffic based on freeway closures;
3. Proactive coordination of phone loans for disaster relief agencies;
4. Establishment of Emergency Call Centers for Displaced quake victims.

Damage Assessment and Equipment Repair

A team of engineers and technicians began working around the clock to respond to these system problems and ensure optimum system performance. A total of 15 cell sites went off the air immediately after the quake. Of those 15 cell sites, 7 were restored within 3 hours, 6 sites within 8 hours and the remaining 2 sites within 24 hours. Most of these sites went off the air because of severed landline interconnect facilities. Some locations were off the air for a considerable period of time because technicians were unable to safely restore electrical service due to water hazards created by flooding. In addition to the initial 15 cell sites, 10 others went off the air temporarily during the 36 hours following the quake.

L. A. Cellular Deals with 6.7 Earthquake

Damage Assessment and Equipment Repair (continued)

Because back-up batteries for cell sites have limited lifespans, technicians immediately began deploying generators at cell sites without commercial electricity. Many of these generators were secured from local vendors such as Associated Diesel, Aggreko and J&M. Additional generators were secured from other cellular companies such as McCaw Communications, Inc. and Bay Area Cellular Telephone Company. Within 24 hours, virtually all of the affected cell sites were operating on generators.

System Enhancement for Altered Call Traffic Patterns

System usage immediately spiked following the quake, particularly in the most hard-hit portions of Los Angeles. Completed calls on the system as a whole increased by 119% on the day of the earthquake, and by 127% on the switches serving the most severely impacted areas. During the afternoon rush hour on the day of the quake, completed calls were up by 172%.

The picture is even more dramatic in light of call attempts. During the hours immediately after the shock, call attempts increased by more than 20,000%. While call blocking factors are not yet available, clearly thousands of call attempts were unsuccessful during the first 12 hours of the crisis as a result of the significant increase in usage.

During large-scale disasters in other markets -- such as hurricane-ravaged Florida -- cellular carriers have reported continued heavy call volume in the weeks and even months following the catastrophe. Citizens and emergency response crews in such areas tend to rely heavily on cellular telecommunications for some time. For L. A. Cellular, one month after the earthquake, system-wide usage remains more than 15% above normal.

To help meet the increased demand for cellular service in quake-affected portions of its calling area, L. A. Cellular began working with equipment manufacturers and other cellular carriers across the country to introduce temporary supplemental equipment where it is needed. In the month following the quake, L. A. Cellular has constructed 14 new cell sites and is in the process of deploying 6 additional sites. Most of these sites will be fully operational within the next week, while the remainder will be operational within the next two weeks. Accordingly, within the next two weeks, L. A. Cellular will have deployed a total of 20 new cell sites to meet increased traffic demand and altered traffic flow.

In addition to the placement of added cell site facilities, L. A. Cellular has installed more radio channels at many existing cell site locations to accommodate increased call traffic demand. A total of 275 channels have been added to sites in the San Fernando Valley and 118 channels that have been added to sites in West Los Angeles. Including the channels that are installed in newly deployed cell sites, L. A. Cellular has added 751 new channels to the system.

L. A. Cellular Deals with 6.7 Earthquake

System Enhancement for Altered Call Traffic Patterns (continued)

The addition of these facilities has been very successful in providing much-needed relief by increasing call capacity near the epicenter and improving coverage in areas where traffic flow has been redirected due to freeway detours. L. A. Cellular continues to closely track call traffic patterns in order to fine-tune its cellular system and maximize efficiency.

Phone Loans for Disaster Relief Agencies

To help emergency response personnel do their jobs more efficiently, L. A. Cellular has loaned some 1,500 cellular phones and provided free service to approximately 20 different agencies. Often during large-scale disasters, the emergency radio systems used by police and fire departments experience three specific limitations, including:

1. Emergency radio bands become highly congested;
2. Emergency radio bands are non-compatible (the California National Guard uses a different band than the Los Angeles Police Department);
3. Shortages of radio equipment leave many personnel without communications devices.

During these conditions, cellular telephones can provide a critical communications link for emergency response personnel. Just hours after the initial quake, L. A. Cellular representatives were proactively contacting various emergency response organizations, offering cellular phones and service to help in the disaster recovery efforts. Cellular phones and service were provided free to the following organizations:

American Red Cross
California Highway Patrol
California National Guard -- Fourth Battalion
California National Guard -- Glendale Armory
CalTrans (California Department of Transportation)
City of Los Angeles -- General Services/Communications
City of Los Angeles -- Mayor's Office
City of San Fernando
City of Santa Clarita
City of Santa Monica
El Nido Family Centers
FEMA (Federal Emergency Management Agency) National Communications Services
Government Services Organization
Governor Pete Wilson
Los Angeles City Fire Department
Mental Health Disaster Response Team
Metro Traffic
Office of Emergency Services

L. A. Cellular Deals with 6.7 Earthquake

Phone Loans for Disaster Relief Agencies

Salvation Army
United Way
United States Forest Service

Emergency Call Centers for Displaced Quake Victims

To provide displaced quake victims with a telephone link to friends and loved ones, L. A. Cellular established Emergency Call Centers at most American Red Cross evacuation shelters by the afternoon of January 17. AT&T provided long-distance telephone service.

Providing Telecommunications in Times of Need

The cellular telephone system is designed to supplement landline telephones. Because of the portability of cellular phones, they are being used increasingly for peace of mind, enabling people to communicate in circumstances ranging from roadside breakdowns to earthquakes. The affordability of cellular phones and service has contributed to this trend, with handheld phones available for less than \$100 and service available from L. A. Cellular for less than \$30 per month.

The Greater Los Angeles Area has experienced more than its share of disasters during the past few years. Riots rumbled through Los Angeles in the spring of '92, firestorms ripped through the city's foothill and canyon communities in the fall of last year and now a devastating earthquake has shaken Los Angeles yet again. In each incident, L. A. Cellular has worked diligently to ensure cellular telecommunications are available not only for its existing subscribers, but also for emergency response crews.


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VERIFICATION

I, Mark Lyons, declare:

I am employed as a legal assistant by Young, Vogl, Harlick & Wilson, which represents the Los Angeles Cellular Telephone Company ("L.A. Cellular"), and I make this Verification on its behalf. I have read the foregoing Reply Comments by L.A. Cellular to Petition by the Public Utilities Commission of the State of California to Retain State Regulatory Authority Over Intrastate Cellular Service Rates. The facts alleged therein regarding the current and historically tariffed rates charged by L.A. Cellular and other California carriers, and regarding L.A. Cellular's costs and expenses, were compiled from tariffs and annual reports maintained by this office, and based on my knowledge, information and belief, I believe them to be true.

Pursuant to the laws of the State of California I declare under penalty of perjury that the foregoing is true and correct. Executed this 18th day of October, 1994, at San Francisco, California.


Mark Lyons

CERTIFICATE OF SERVICE

I, Mark Lyons, certify that a copy of the foregoing "Reply Comments of the Los Angeles Cellular Telephone Company" was sent by first class mail, postage prepaid, to the parties set forth below this 19th day of October, 1994.


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